

Performance Analysis Of Consumer Forum Redressal System Of India

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Abstract

The government has enacted various social legislations from time to time to protect the rights and interest of the consumers. Among these, The Consumer Protection Act, 1986 is the most progressive and under this act various tribunals were set up at district level and state level with National Consumer Disputes Redressal Commission (NCDRC) as an apex. There is need to study that how many consumers with complaints approach these tribunals and how they are being entertained. In the present paper an effort is made to analyze the performance of State Consumer Redressal Commission of Chandigarh for the time period of 2011 to 2018. The study showed that the disposal rate of Chandigarh redressal agencies is higher than total disposal rate in India since inception. Further, the study concluded that redressal agencies of Chandigarh indicated significance difference in the means of cases filed, disposed and pending. It can be suggested that accelerating the disposal rate will stretch better results.

Keywords: : Consumer, Consumer Protection, Consumer Grievances, Redressal Agencies, Disposal Rate, Pendency Rate

1. Introduction

According to Consumer Protection Act, 1986, a consumer is a person who buys a product/ avails a service for his personal use against a consideration, however any person who buys good/ avails service for commercial purpose or without consideration is not a consumer. Consumers, being the end-users in the chain of distribution, plays vital role for the start over of the cycle again or it can be said that, the consumers are the pillars of the economy and whole economic activities revolve around them. Consequently, the producers should

protect the interest of the consumers by providing them the right quality product at right place and at right price. Moreover, consumers should also be aware of their rights and responsibilities and must make use of the provisions available under the law, to protect themselves from the fraudulent traders.

Consumer protection means safeguarding the rights and interests of consumers. Basically consumers need protection because of illiteracy, ignorance, spurious goods, deceptive advertising, malpractices of

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businessmen, overcharging etc. Consumer protection has been in existence since civilization, wherein the traders followed the policy of hoarding (Rama, 1990). Government has enacted various Acts that is, The Sales of Good Act (1930), The Prevention of Food Adulteration Act (1954), The Essential Commodities Act (1955), Indian Contract Act (1972), The Standards of Weights and Measures Act (1976) etc. from time to time to protect them. However, it was through "The Consumer Protection Act, 1986" which gave a strong weapon in the hands of consumers to guard themselves from the unfair trade practices of the producers/companies. This Act came into force with effect from 1st July, 1987 in the country and was amended time to time to provide foster, simplified and streamlined resolution to the disputes of consumers and to allow the authorities to work with more power. Under this act, separate Consumer Tribunals were set up throughout India at District level and State level with National Consumer Disputes Redressal Commission (NCDRC) as an apex. Subsequently, consumers are able to file a complaint on a simple paper without paying any court fees and Tribunals follow less formal procedure and take less time to decide upon a consumer dispute as compared to the traditional Indian Judiciary. As per the Act, every complaint shall be heard expeditiously and attempt shall be made to decide the complaint within a period of three months from the date of receipt of notice where, the complaint does not require analyses or testing of commodities and within five months if, it requires analyses or testing of commodities. This has made the Tribunals to work efficiently and persuaded the consumers to come up with their complaints.

National Commission: It was set up in 1988 as

apex body and is headed by a sitting or retired judge of the Supreme Court. It is presently headed by Hon'ble Justice R.K. Aggarwal, the former judge of the Supreme Court of India. Complaints pertaining to value of goods or services above Rs. 1 crore can directly approach before National Commission.

State Commission: There are 35 State Commissions at present and these commissions are headed by a sitting or retired judge of High Court. Complaints pertaining to value of goods or services between Rs. 20 lacs and Rs. 1 crore are filed here. State Commission of Chandigarh is presently headed by Justice Jasbir Singh, former judge of Punjab and Haryana High Court.

District Commission: There are 629 District Forums in India at present and these forums are headed by a sitting or retired judges of District Courts. The complaints pertaining to value of goods or services below Rs. 20 lacs are filed here. There are 2 District Forums in Chandigarh.

**Table 1: Total Number of Consumer Complaints Filed/ disposed since inception
(Under Consumer Protection Law)**

Sr. No.	Name of the Agency	Cases filed since inception	Cases disposed of since inception	Cases pending	% of disposed cases
1	National Commission	124418	105070	19348	84.45
2	State Commissions	812044	696466	115578	85.77
3	District Commissions	3949415	3645951	303464	92.32
	Total	4885877	4447487	438390	91.03

Source: ncdrc.in (June, 2019)

**Table 2: Total Number of Consumer Complaints Filed/ disposed since inception
(Chandigarh)**

Particulars	Number of cases		%age share in total	
	State Commission	District For a	State Commission	District Forum
Total cases filed since inception	22627	60925	100	100
Total cases disposed of since inception	21973	59586	97.11	97.80
i. Within 90 days*	14433	23228	65.69	38.98
ii. After 90 days*	7540	36358	34.31	61.02
Cases pending	654	1339	2.89	2.20

Source: chdconsumercourt.gov.in (as on 31.03.2019)

*Out of total disposed of cases

2. Review of Literature

Garg (2010) studied the overall performance of National, State and District level consumer disputes redressal forums since inception till 31st December, 2008 in India. The study concluded that on the basis of overall performance, District level forums were assigned first rank followed by National and

State level forums. Chaudhary et al. (2011) in their study made an effort to explore the consumer protection and consumerism in India. It was concluded that in a developing country like India, consumers are being exploited because of mass poverty and illiteracy and suggested that there is need of consumer awareness through government

activities for the success of the country. Laxmi (2011) in his study evaluated the performance of consumer forums of Warangal District using primary and secondary data. The study found that Warangal District consumer council had performed better in comparison to other district councils of Andhra Pradesh. Further, the consumer literacy and age had shown significant relation with consumer awareness. Raju and Asifula (2013) studied the emerging issues and challenges associated with the Consumer Protection Act, 1986. It was found that reducing unfair trade practices, spurious goods, misleading advertisements, corruption are the major challenges for the agencies and councils of India which can be achieved by educating consumers and quickly resolving their disputes. Deepa and Vijayrani (2015) studied functioning of redressal agencies working in Tamil Nadu and the settlement of complaints by these redressal agencies. The study concluded that speed of disposal of cases in all the forums were very slow, but comparatively the district forums were performing better than national and state commissions. Gupta (2015) studied the working and performance of CDRAs in three major districts of Punjab namely, Ludhiana, Amritsar and Patiala from 1991 to 2014 and also analyzed the perception of respondents towards functional efficiency of CDRAs. The study concluded that complainants had positive perception regarding CDRAs of Punjab and rejecting the null hypothesis, there was no significant difference in the cases filed, disposed and pending. Khan and Raman (2016) through their paper evaluated the attitude and satisfaction level of consumers towards consumer forums of Chennai. The study concluded that social networking means have updated consumers and removed the fear of traditional culture from their minds.

Rambabu and Kumar (2017) evaluated the performance of CDRAs in respect of cases disposed in India for the period 2012 to 2016. The study concluded that District forums performed better in comparison to the National and State commissions and suggested that Government should make efforts to stimulate the time frame of disposal of cases. Yemmi and Vibhuti (2018) studied the aspect of consumer movement and evaluated the working of National and State commissions of consumer redressal agencies and also District wise working of Karnataka State. The study highlighted that District level agencies performed more efficiently than National and State level agencies.

3. Methodology

Need of the Study: Embracing of technology by market sector has given many loopholes to the producers/sellers to fool the innocent consumers on the basis of superficial advertisements, substandard products, high prices and other unfair means, which is a challenging task for the general public to cognize. For the purpose, the Government has set up various Consumer Disputes Redressal Agencies (CDRAs) at District, State and National level to protect the consumers from all sorts of exploitation. Further, it is equally important to analyze that how these redressal agencies are performing. In the past, different researchers have worked on issues and challenges of Consumer Protection Act, performance analyses of redressal agencies at State and District level of different states but no research work has been carried on the performance of Consumer redressal system of Chandigarh.

Objective: The present study is conducted with the objective “to analyze the performance

of Consumer Forum Redressal System of Chandigarh at State level and District level”.

Data Collection: The study is based on secondary data which is collected from the records of Consumer Redressal Commission of Chandigarh, by personal visit and official website of National Consumer Redressal and other articles. The time period of the study is from 2011 to 2018 on the basis of availability of data.

Statistical Tool: ANNOVA (Analysis of Variance) given by Ronald Fisher (1918) is

used to analyze the difference between different means at 0.05% significance level.

H0: There is no significant difference in the means of cases filed, disposed and pending in the State Commission and District Forum of Chandigarh.

H1: There is significant difference in at least one among the means of cases filed, disposed and pending in the State Commission and District Forum of Chandigarh.

4. Results And Analysis Table 3 shows that

Table 3: Cases filed, disposed and pending at State Commission of Chandigarh

Year	No. of pending cases of previous year	No. of new cases filed	Total No. of cases	No. of cases disposed of during the year	No. of cases pending during the year	%age of disposed cases
2011	391	541	932	737	195	79.08
2012	195	576	771	599	172	77.69
2013	172	825	997	877	120	87.96
2014	120	961	1081	980	101	90.66
2015	101	1047	1148	895	253	77.96
2016	253	2216	2469	1919	550	77.23
2017	550	2941	3491	2747	744	78.69
2018	744	1965	2709	2068	641	76.34
Mean	-	-	1699.75	1352.75	347	-

ANNOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	7898332.333	2	3949166.167	6.792075885	0.005309978	3.466800112
Within Groups	12210183	21	581437.2857			
Total	20108515.33	23				

there is inconsistency in the rate of disposal and it varied between 77% and 91% throughout the study period. From the statistical analysis, it has been found that the null hypothesis is rejected being p value less than 0.05 (p < 0.05) attests that there is

significant difference between the number of cases files, disposed and pending during the study period. This indicates that the speed of disposal cases is slower than speed of new cases filed.

Table 4: Cases filed, disposed and pending at District Forum of Chandigarh

Year	No. of pending cases of previous year	No. of new cases filed	Total No. of cases	No. of cases disposed of during the year	No. of cases pending during the year	%age of disposed cases
2011	1392	2261	3653	2420	1233	66.25
2012	1233	2289	3522	2341	1181	66.47
2013	1181	2157	3338	2165	1173	64.86
2014	1173	2078	3251	2048	1203	63.00
2015	1203	2178	3381	2019	1362	59.72
2016	1362	2832	4194	2524	1670	60.18
2017	1670	2438	4108	2636	1472	64.17
2018	1472	1982	3454	2217	1237	64.19
Mean	-	-	3612.625	2296.25	1316.375	-

ANNOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	21242032.58	2	10621016.29	154.7609341	2.70209E-13	3.466800112
Within Groups	1441199.25	21	68628.53571			
Total	22683231.83	23				

Table 4 shows that rate of disposal is very low at district level forum and it varied between 59% and 67% throughout the study period. From the statistical analysis, it has been found that the null hypothesis is rejected being p value less than 0.05 ($p < 0.05$) represents that there is significant difference between the number of cases files, disposed and pending during the study period. This indicates that the disposal rate is comparatively slower than the rate of new filed cases.

5. Conclusion:

State Consumer Redressal Commission of Chandigarh has two district forums under the provisions of the Consumer Protection Act, 1986. The aim of this act is to provide speedy, easy and inexpensive procedure to solve the

consumer grievances. Overall performance of the State Commission is good as the rate of disposal remained above 77% throughout the study period in comparison to District Forum wherein the rate remained below 67% all through the period. From statistical analysis, it has been found that p value being less than 0.05, rejecting null hypothesis, indicates that there is significant difference in the means of cases filed, disposed and pending at State Commission as well as District Forum level. Therefore, there is need to work on improving the disposal system, so that the cases are redressed in minimal time and the number of pending cases are reduced. Then only, it would be possible to get improved results from the efforts of the Government made by forming redressal agencies and will be possible to protect the consumers..

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